

November 19, 2004

RE: Docket No. R-1210

Ms. Jennifer J. Johnson
Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, N.W.
Washington, DC 20551

Ladies and Gentlemen:

The proposed amendments to Regulation E affect Hibernia National Bank as an Originating Depository Financial Institution, a Receiving Depository Financial Institution and an Originator of Automated Clearing House transactions. The following comments provide Hibernia's opinion of the potential impact of the proposed changes to the bank, our customers and the payments system.

1) Appendix A to Part 205, Section A-2 (a) Consumer Liability

Hibernia does not agree with the last statement, "If a good reason (such as a long trip or a hospital stay) kept you from telling us, we will extend the time periods." This statement is very broad and open-ended. The Model Clause for Initial Disclosure should specifically define circumstances that constitute a "good reason," the documentation or proof is required to obtain an extension, and the maximum time period for disputing transfers. Without further definition, the implementation and compliance by receivers of returns would vary among institutions.

2) Appendix A to Part 205, Section A-2 (b) Contact in event of unauthorized transfer

We believe the clause should only provide a telephone number (and optionally an email address). If consumers write to a physical mailing address, this delays processing and could potentially increase exposure to fraud or unauthorized transactions to the merchant (and consumer, depending on when the dispute is lodged). Most consumers want immediate contact for dispute resolution, so we believe a telephone number is sufficient and the "or write" verbiage should be eliminated.

3) Appendix A to Part 205, Section A-6 Model Clauses for Authorizing One-Time Electronic Fund Transfer Using Information from a Check

While we generally support the implementation of model authorizations, we are concerned with some of the language in the proposed clauses. Specifically, the statement "When we use your check to make an electronic funds transfer, funds may

be withdrawn from your account [quickly / as soon as the same day we receive your payment][, and you will not receive your check back from your financial institution.]”

First, we do not believe that the processing time should be implied in the authorization as being “quickly” compared to checks. In many cases, the clearing of ACH transactions is actually slower than checks. Additionally, the statement “you **will** not receive your check back from your financial institution” could be misleading in the event that a financial institution does not return checks under any circumstances.

Should you have any questions about these comments, please contact Leslie Rhodes at (504) 533-7624.

Sincerely,

Leslie E. Rhodes
Assistant Vice President, Product Manager
(MAILED ELECTRONICALLY)